

OPINION
60-269

May 26, 1960 (OPINION)

TAXATION

RE: Payment and Collection of Taxes - Personal Property

Taxes, Delinquent - Penalties

This is in reply to your letter in regard to the amendment to section 57-2001 of the N.D.R.C. of 1943 contained in chapter 387 of the 1959 Session Laws.

You inform us that a local deputy sheriff tax collector has suggested a news release to be given to the local newspaper in regard to the effect of said amendment on the statute. You suggest that either this office or the office of the State Tax Commissioner might want to approve the suggested release or utilize same.

We are enclosing herewith a notice by the State Tax Commissioner containing excerpts of an opinion of this office clarifying the effect of this amendment. We might suggest that a part or all of same might be of some use to you in explaining the effect of the amendment in the news release contemplated. We are also enclosing herewith copies of other opinions of this office that might be of some help in this regard.

In going over the proposed news release, we note a statement therein to the effect that the amendment puts and interest on delinquent taxes of one-half percent per month, and to the effect that under the old law the interest rate was only six percent per annum, so this new law doubles the interest rate. Apparently this was inserted in the proposed news release as the result of some mistake in the preparation of same.

If we may take the liberty of summarizing the effect of this new amendment on unpaid taxes as further explained in the copies of opinions of this office enclosed herewith, we will state as follows:

The statute previously provided for penalties on unpaid personal property taxes for the first year they become due, which total five percent, if the tax remains unpaid until October fifteenth of the said first year. The new amendment without changing said penalty provision for the first year does provide that six percent interest shall be charged on the principal of unpaid personal property taxes from and after the first of January following said first year in which said personal property taxes become due.

In conclusion we agree with your thought that it may very well be advisable to inform the taxpayers of your county of the effect of the new amendment particularly in view of the fact that you inform us that several of your local merchants have stated that they deliberately allow personal property taxes to become delinquent in view of the low interest rate on same. We agree entirely with the

point that it would be unfortunate if taxpayers allowed personal property taxes to run for several years without realizing that they were incurring six percent interest on the principal amount of taxes owed for each year after the first year in which the taxes became due.

LESLIE R. BURGUM

Attorney General